(vi) *Restriction on Bank Advances against Shares and Debentures*:

It has been decided to reduce the minimum margin on loans to individuals against shares and debentures/bonds from 75 percent to 50 percent effective April 8, 1993. Further the existing stipulation that there should be no increase effective October 8, 1991 in the credit outstanding to individuals against shares and debentures/bonds stands withdrawn.

(vii) *Selective Credit Control*:

The minimum margin on bank advances against Paddy/rice, wheat, Pulses, other food grains was reduced across the board by 15 percentage points.

(viii) *Priority Sector Advances by Foreign Banks*:

Foreign Banks operating in India, were to reach a level of 15 percent of their net total outstanding advances by the end of March, 1992. The short fall in the stipulated target should be rectified by the foreign banks by the end of June, 1993 failing which the foreign banks would be required to deposit at a rate of interest of 10 percent per annum, the amount equivalent to the short-fall in the targets determined by the RBI and Small Industries Development Bank of India (SIDBI). Further from July 1, 1993, the existing priority sector advances and export credit extended by these banks would be combined to enlarge the definition of priority sector lending so as to include export finance in the target. Under the enlarged target for priority sector advances, foreign banks are to reach the target of 32 percent of net bank credit by the end of March, 1994. Under the overall target for priority sector lending, advances to the SSI sector should be not less than 10 percent of net bank credit Shortfall, if any at the end of March, 1994 will be required to be placed as a deposit with SIDBI at a rate of interest of 10 percent per annum.

(ix) *Special Package of Measures for Financing of Small Scale Industries* :

Considering the contribution of the SSI sector to overall Industrial production, exports and employment and also recognising the need to give a fillip to this sector, a special package of measures has been devised to ensure adequate and timely credit to this sector. While doing so, the recommendations of the Committee to examine the Adequacy of Institutional Credit to the Small Scale Industries Sectors and Related Aspects headed by Shri P.R. Nayak and other factors were taken into account.

**Safeguarding Stock Exchanges**

171. SHRI SANTOSH KUMAR SAHU: Will the Minister of FINANCE be pleased to state :

(a) what are the causes of the continuing crash like conditions of the Capital Market/Stock Exchanges of the country;

(b) the details of steps taken or proposed to be taken to take corrective measures for Stock Exchange reforms for an early confidence of investors; and

(c) what are the details of action taken by SEBI Stock Exchanges to regulate the Stock market to prevent crash like conditions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS) (DR. ABRAR AHMED) : (a) The fall in share prices during the last 11 months as

per Securities and Exchange Board of India cannot be termed as crash but as a corrective movement. Factually, the prices of listed shares were much higher as on 31st March, 1993 as compared to their prices on 1st April, 1991. However, the share market has shown a downward trend in the recent past. The movement of share prices is determined by several factors such as market sentiments, expectations of investors etc.

(b) and (c) The normal mechanism for regulating the capital market does not involve Government/Securities and Exchange Board of India (SEBI) intervening directly in the share market for regulating the level of share prices. In so far as Stock Exchange reforms are concerned SEBI has been taking steps to increase investors confidence in the capital market by trying to bring about a more transparent and fair trading practices. These steps include inter-alia, registration of market intermediaries, issue of guidelines for disclosure, education of investors, capital adequacy norms for brokers, direction to stock exchanges to alter the compositions of their governing bodies & shortening of settlement cycles.

Keeping in view the downward trend in the share prices, the regulatory measures taken by the stock exchanges include imposition of daily margins, closing of the market to act as circuit breakers, prohibition of short sales in respect of all specified shares and restriction on blank sales etc.

**Bank vehicles for carrying cash**

172. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be to state :

(a) whether some youths looted Rs. 49 lakhs belonging to the Karol Bagh branch of Punjab and Sind Bank in transit recently;

(b) if so, whether the Punjab and Sind Bank is not having their own vehicle for carrying cash etc.;

(c) if so, whether there are any instructions not to use public vehicles for such purposes;

(d) if so, whether Government propose to fix responsibility in this regard; and

(e) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Punjab & Sind Bank has reported that an amount of Rs. 49 lakhs was looted on 26-2-1993 by the armed robbers while the cash was in transit from its Karol Bagh branch to the currency chest, Asaf Ali Road, New Delhi branch.

(b) to (e) The Karol Bagh branch of Punjab & Sind Bank is attached to its currency chest at Asaf Ali Road, New Delhi which has two cash vans for the purpose of carrying cash from this currency chest to various branches attached to it and vice versa. Banks has reported that on the day of incident i.e. 26-2-1993, one van was unserviceable and the other was engaged in carrying cash from currency chest to banks branches at Rajouri Garden and Gole Market, New Delhi. Indian Banks' Association's guidelines on security arrangements in banks inter alia provide that remittances in excess of Rs. 10 lakhs should be sent only in the bank's cash van. These guidelines also provide that if a cash van/bank's vehicle is not available, a private vehicle may be used. However, as far as possible, a taxi should be preferred than a three-wheeler scooter or cycle rickshaw. Bank has initiated disciplinary action against the concerned employees and have placed under suspension four employees for various lapses on their part.